

104TH CONGRESS
1ST SESSION

H. R. 1957

To amend the Internal Revenue Code of 1986 to allow the deduction of
certain interest on automobile loans.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 1995

Mr. BROWN of Ohio (for himself, Mr. DELLUMS, Mr. LIPINSKI, Mr. GILMAN,
Mr. KILDEE, Mr. GENE GREEN of Texas, Mr. TORRES, Mr. CLYBURN,
Mr. FROST, Mr. STUPAK, Miss COLLINS of Michigan, Mr. THOMPSON,
Mr. FATTAH, Mr. EVANS, Mr. KLINK, and Ms. KAPTUR) introduced the
following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow the
deduction of certain interest on automobile loans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Auto-Tax
5 Relief Act”.

6 **SEC. 2. DEDUCTION FOR CERTAIN INTEREST ON AUTO-**
7 **MOBILE LOANS.**

8 (a) IN GENERAL.—

1 (1) ALLOWANCE OF DEDUCTION.—Paragraph
2 (2) of section 163(h) of the Internal Revenue Code
3 of 1986 (relating to interest) is amended—

4 (A) in subparagraph (D), by striking
5 “and”,

6 (B) in subparagraph (E), by striking the
7 period and inserting “, and”, and

8 (C) by adding at the end the following new
9 subparagraph:

10 “(F) any interest paid or accrued on in-
11 debtedness which is incurred in the acquisition
12 of a qualified automobile and is secured by such
13 automobile.”

14 (2) DEFINITION OF QUALIFIED AUTOMOBILE.—
15 Subsection (h) of section 163 of such Code is
16 amended by adding at the end the following new
17 paragraph:

18 “(6) QUALIFIED AUTOMOBILE.—For purposes
19 of this subsection, the term ‘qualified automobile’
20 means an automobile (as defined by section
21 4064(b)(1)), if—

22 “(A) the percentage specified on the label
23 required by subsection (b)(1)(A) of the Amer-
24 ican Automobile Labeling Act (15 U.S.C.
25 1950(b)(1)(A)) (relating to the percentage of

1 passenger motor vehicle equipment installed on
2 a vehicle within a carline which originated in
3 the United States and Canada) is 60 percent or
4 more,

5 “(B) the price of the automobile (deter-
6 mined in accordance with section 4002(d) and
7 including amounts provided by indebtedness) to
8 the ultimate purchaser is not greater than
9 \$35,000, and

10 “(C) the sale of the automobile to the tax-
11 payer is the 1st retail sale (as defined in section
12 4002(a)) of the automobile.”

13 (b) EFFECTIVE DATE.—

14 (1) IN GENERAL.—The amendments made by
15 this section shall apply to interest paid or accrued
16 with respect to automobiles purchased after
17 _____.

18 (2) EFFECTIVE ONLY IF NO SEQUESTRATION
19 CAUSED.—Notwithstanding paragraph (1), the
20 amendments made by this section shall take effect
21 only if, determined as of the fifteenth day after the
22 Congress adjourns to end the first session of the
23 104th Congress, no sequestration is in effect under
24 section 252 of the Balanced Budget and Emergency

- 1 Deficit Control Act of 1985 (as determined after the
- 2 application of paragraph (1)).

